BUSINESS CASE

Migration to Sovereign Providers: A Market Opportunity

For Italian and European IT providers, Consip and central purchasing bodies — National Digital Sovereignty Observatory — June 2025

In brief

The Italian Public Administration — around 23,000 bodies — today depends to a significant extent on email providers subject to non-EU jurisdiction. Regulatory developments (GDPR, Schrems II, Italy's Cloud Strategy, NIS2) and growing political attention are driving migration to sovereign infrastructure. This represents a significant market opportunity for Italian and European providers and a strategic lever for public purchasing bodies.

~23,000	—%	—%
PA bodies as potential clients	today on non-EU providers	contestable market share

The percentage values will be updated with the data from the next report (source: MxMap.it on IndicePA).

The context: a demand in the making

Three converging forces are transforming digital sovereignty from a niche topic into a purchasing requirement for the PA:

- Regulatory pressure — GDPR and Schrems II make the use of providers subject to the CLOUD Act legally fragile; Italy's Cloud Strategy requires the qualification of infrastructure.
- Political pressure — digital sovereignty has entered the Italian and European institutional agenda, with growing demand for national alternatives.
- Reputational pressure — bodies are increasingly aware of the jurisdictional risk and are seeking solutions that shield them from it.

Why now

The market window opens when the regulatory framework becomes stringent but the sovereign offering is still poorly structured. It is the moment when a provider can position itself as a benchmark before the market consolidates.

1. The potential market

The pool is the entire Italian PA recorded in IndicePA. Segmentation by type of body makes it possible to identify the highest-priority targets with the greatest propensity to migrate.

Segment	Bodies (order of magnitude)	Migration priority	Data sensitivity
Municipalities	~7,900	High	Registry, taxes
Local health authorities / Healthcare	Hundreds	Critical	Health data
Schools / Universities	Thousands	Medium	Student data
Central PA / Ministries	Dozens	Critical	Acts, policy
Regions / Provinces	~120	High	Services, healthcare

The figures are indicative orders of magnitude from IndicePA; the precise data per segment will be published in the report.

2. The value proposition of the sovereign provider

A provider that wants to win this market must build an offering around elements that the large non-EU operators cannot guarantee by design:

- Guaranteed EU/IT jurisdiction — no disclosure obligations towards non-European authorities (no CLOUD Act).
- Documented compliance — GDPR by design, ACN qualification, certified data localisation.
- Continuity and independence — no risk of disruption from unilateral foreign decisions or geopolitical tensions.
- Support and proximity — native-language assistance, SLAs on national time zone and legislation, local roots.

Differentiation, not price competition

The sovereign provider does not need to beat the large operators on price per terabyte, but on value: compliance, reduction of legal risk and autonomy. It is a sale of risk management, not of a commodity.

3. The lever of public procurement

Consip and the central purchasing bodies play a decisive role: the criteria of framework agreements and framework contracts effectively steer the technological choices of thousands of bodies. Introducing sovereignty requirements into tenders simultaneously creates qualified demand and a level playing field for compliant providers.

3.1 Sovereignty requirements that can be included in tenders

Requirement	Effect
Exclusive EU jurisdiction over data	Excludes providers subject to non-EU disclosure legislation
Data centre localisation in EU/IT	Guarantees physical control and traceability
ACN qualification of the service	Aligns the purchase with Italy's Cloud Strategy
Data reversibility and portability	Avoids lock-in and enables future competition
Transparency on subcontractors and MX	Makes the sovereignty chain verifiable

3.2 Benefits for central purchasing bodies

- Reduction of aggregate risk — a compliant supplier base lowers the legal exposure of the entire PA.
- Stimulus to national industry — qualified public demand grows a competitive European IT ecosystem.
- Consistency with strategic objectives — the purchase becomes an instrument of industrial policy and autonomy.

4. Path and obstacles

Migration is not free of friction. Recognising this is part of the business case: whoever offers a managed migration path, and not just a product, wins.

Obstacle	Mitigation on the supply side
Migration costs and timescales	Turnkey migration services, import tools, hands-on support
Habit with widespread tools	Interoperability, training, familiar interfaces
Perception of lower reliability	Solid SLAs, public references, certifications
Fragmentation of bodies	Framework agreements and aggregated offers via Consip

5. Call to action

For Italian and European IT providers

Build an explicit sovereignty offering: communicate jurisdiction, compliance and migration path. Use the Observatory's public data to size the market and identify the priority segments.

For Consip and central purchasing bodies

Introduce sovereignty requirements into email and cloud framework agreements. Turn public spending into a lever of strategic autonomy and industrial growth.

Sources

- National Digital Sovereignty Observatory — https://osservatorio.mxmap.it/
- MxMap.it — Mapping of PA email providers — https://mxmap.it/
- IndicePA — https://indicepa.gov.it
- Italy's Cloud Strategy (2021); ACN Regulation no. 307/2022
- GDPR (EU Reg. 2016/679); Schrems II (CJEU C-311/18)